THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

W.P.No.19737 of 2005

Date:30.09.2005

K.Paramatma Rao

--------PETITIONER

The Girijan Cooperative Corporation Ltd., and another

---------RESPONDENTS

ORDER:

The petitioner retired from the service of the Girijan Cooperative Corporation Limited, 1st respondent herein, as Senior Assistant on 30.06.2001. While extending some amount towards his retirement benefits, the respondents withheld a sum of Rs.1,10,172/- from the petitioner, on the ground that the quality of some of the items dealt with, by the him was not ascertained and that there are certain other deficits noticed during the tenure of the petitioner. The action of the respondents in withholding the said amount is challenged in this writ petition.

Heard the learned counsel for the petitioner and the learned Standing Counsel for the respondents.

No orders fastening any liability on the petitioner were passed while he was in service. On his retirement, various amounts were paid, but a sum of Rs.1,10,172/- was withheld. An attempt is made to justify the action on the ground that the quality of the some of the forest produce handled by the petitioner is yet to be ascertained and that the amount would be released after a final decision is taken thereon.

Once an employee retires from service, he is entitled to be extended all the benefits. Time and again, the Supreme Court held that pension and other benefits are almost on par with the right to property. Most of the amounts accumulate on account of the contribution made by the employee himself. It is only when the liability of an employee is ascertained while he is in service and the same has become final, that the employer can withhold the corresponding amounts. Here again, there are certain limitations. For example, the gratuity of an employee cannot be withheld under any circumstances.

In ***N.Rama Krishnudu vs. The Vice-Chairman & Managing Director*** (W.P.No.5292 of 2002), this Court held through judgment, dated 20.08.2005, that it is not open to the employer to deduct any amount from the retirement benefits after retirement, once an employee stands retired.

In that view of the matter, the writ petition is allowed and the respondents are directed to release the amount withheld from the retirement benefits of the petitioner, within a period of six weeks from the date of receipt of a copy of this order. There shall be no order as to costs.

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30.09.2005

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